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August 23, 2012

The Honorable Jocelyn Boyd
Chief Clerk of the Commission
Public Service Commission of South Carolina
Post Office Drawer 11649
Columbia, South Carolina 29211

Re: AT&T South Carolina's Petition to Withdraw Funds from the State USF to Support Stand-Alone Basic Residential Lines Pursuant to S.C. Code Ann. §58-9-576(C)(9)(c)
Docket No. 2011-406-C

Dear Ms. Boyd:

Enclosed for filing is AT&T South Carolina's Verified Direct Testimony of Kenneth E. Minzenberger in the above-referenced matter.

By copy of this letter, I am serving all parties of record with a copy of this pleading as indicated on the attached Certificate of Service.

Sincerely,

A handwritten signature in black ink that reads "Patrick W. Turner". The signature is written in a cursive style with a prominent flourish at the end.

Patrick W. Turner

PWT/nml
Enclosure
cc: All Parties of Record
1044382

1 AT&T SOUTH CAROLINA'S
2 VERIFIED DIRECT TESTIMONY OF KENNETH E. MINZENBERGER
3 BEFORE THE PUBLIC SERVICE COMMISSION
4 OF SOUTH CAROLINA
5 DOCKET NO. 2011-406-C
6 AUGUST 23, 2012

7
8 Q. PLEASE STATE YOUR NAME, YOUR EMPLOYER, AND YOUR
9 BUSINESS ADDRESS.

10
11 A. My name is Kenneth E. Minzenberger. I am employed by AT&T Services, Inc.
12 as an Area Manager – Public Policy. My business address is 1057 Lenox Park
13 Boulevard NE, Atlanta GA 30319.

14
15 Q. PLEASE PROVIDE A BRIEF DESCRIPTION OF YOUR BACKGROUND
16 AND EXPERIENCE.

17
18 A. I have been employed by AT&T Services, Inc. and its predecessor entities for
19 over 40 years. I have been in AT&T Services, Inc.'s Public Policy organization
20 since December 2006, and during that time I have been responsible for preparing
21 information that AT&T South Carolina submits annually to the South Carolina
22 Office of Regulatory Staff pursuant to various Orders the Commission has entered
23 in the State USF Docket (Docket No. 1997-239-C).

1 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

2

3 A. The purpose of my testimony is to provide information in support of the Notice of
4 Filing Calculation of State USF Support (“Notice”) that AT&T South Carolina
5 filed with the Commission on July 2, 2012. In compliance with the
6 Commission’s January 17, 2012 Order in this Docket, this Notice provides
7 calculations supporting the \$973,541.93 that AT&T South Carolina seeks to
8 withdraw from the State USF for the upcoming 2013 State USF Fund year in
9 support of the 19,909 stand-alone basic residential lines that were in service as of
10 October 1, 2009 and that remain in service.¹

11

12 Q. HOW MANY OF AT&T SOUTH CAROLINA’S STAND-ALONE BASIC
13 RESIDENTIAL LINES THAT WERE IN SERVICE AS OF OCTOBER 1, 2009
14 REMAIN IN SERVICE?

15

16 A. 19,909.

17

18 Q. HOW DID AT&T SOUTH CAROLINA CONFIRM THAT THESE 19,909
19 STAND-ALONE BASIC RESIDENTIAL LINES WERE IN SERVICE AS OF
20 OCTOBER 1, 2009?

¹ This is in addition to the amounts AT&T South Carolina is entitled to continue withdrawing from the State USF that are needed to fund the state Lifeline match that is necessary to ensure that low-income persons enrolled in the Lifeline program receive the maximum federally funded Lifeline amounts available. *See* S.C. Code Ann. §58-9-576(C)(9)(d). AT&T South Carolina currently withdraws approximately \$1.5 million annually from the State USF to fund this state Lifeline match.

1 A. In October 2009, AT&T South Carolina ran a database query to identify each line
2 in South Carolina that met the statutory definition of a stand-alone basic
3 residential line and that was in service as of October 1, 2009 (the effective date of
4 AT&T South Carolina's election to operate pursuant to Section 58-9-576(C)).
5 AT&T South Carolina retains a copy of the results of this query.

6

7 In June 2012, AT&T ran a database query to identify each line in South Carolina
8 that met the statutory definition of a stand-alone basic residential line as of
9 December 2011.

10

11 The number of lines identified in both queries – that is, the number of stand-alone
12 basic residential lines that were in service as of October 1, 2009 and that remain
13 in service – is 19,909.

14

15 Q. HOW MUCH SUPPORT IS AT&T SOUTH CAROLINA SEEKING TO
16 WITHDRAW FROM THE STATE USF BASED ON THESE 19,909 STAND-
17 ALONE BASIC RESIDENTIAL LINES?

18

19 A. \$973,541.93.

20

21 Q. HOW DID AT&T SOUTH CAROLINA CALCULATE THIS \$973,541.93
22 AMOUNT?

23

1 A. On July 1 of each year, in accordance with Commission Orders entered in Docket
2 Number 97-239-C (including without limitation Order Nos. 2001-996, 2005-7,
3 2005-139, and 2005-185), AT&T South Carolina provides the South Carolina
4 Office of Regulatory Staff (“ORS”) confidential and proprietary information
5 related to the State USF. This information includes the calculation, on a wire-
6 center-by-wire-center basis, of “Phase I Support for Residence Line” in
7 accordance with the Universal Service Fund Guidelines and Administrative
8 Procedures the Commission adopted in Order No. 2001-996.

9
10 The \$973,541.93 in State USF support AT&T South Carolina seeks in the Petition
11 is the result of multiplying each of the 19,909 lines identified above by the annual
12 “Phase I Support for Residence Line” amount (as set forth in the confidential and
13 proprietary information AT&T provided to the Commission and ORS on July 1,
14 2011) for the wire center from which the line is served.

15
16 Q. DURING WHAT TIME PERIOD IS AT&T SOUTH CAROLINA SEEKING TO
17 WITHDRAW THIS \$973,541.93 OF SUPPORT?

18
19 A. The upcoming 2013 State USF Fund year.

20
21 Q. HAS AT&T SOUTH CAROLINA PROVIDED THE OFFICE OF
22 REGULATORY STAFF (“ORS”) THE CALCULATIONS SUPPORTING THE

1 \$973,541.93 THAT IT SEEKS TO WITHDRAW FROM THE STATE USF FOR
2 THE UPCOMING 2013 STATE USF FUND YEAR?

3
4 A. Yes.

5
6 Q. HAS THE ORS REVIEWED THESE CALCULATIONS?

7
8 A. Yes. The August 21, 2012 letter the ORS filed in this Docket explains that the
9 ORS has reviewed AT&T's notice and the supporting documentation. The letter
10 states that based on its review, the ORS "does not oppose AT&T's request to
11 withdraw State USF support for the 19,909 stand-alone residential customers."
12 The letter further states that the methodology AT&T South Carolina used to
13 calculate the \$973,541.93 of support for these lines is "[c]onsistent with last
14 year's methodology" that the Commission approved in Order No. 2011-865.

15
16 Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

17
18 A. Yes.

19 1044265

AFFIDAVIT

STATE OF Georgia

COUNTY OF Cobb

Before me, the undersigned authority, duly commissioned and qualified in and for the State and County aforesaid personally came and appeared Kenneth E. Minzenberger who, being by me first duly sworn, deposed and said that:

1. I, Kenneth E. Minzenberger, am Area Manager – Pubic Policy, AT&T Services, Inc.

2. I have read my foregoing pre-filed testimony, which is dated August 23, 2012 and which consists of five pages and no exhibits.

3. The contents of my foregoing testimony are true to the best of my knowledge.

Kenneth E. Minzenberger
AFFIANT

Sworn to and subscribed before me this 22nd day of August, 2012.

Julie G. Andriano
NOTARY PUBLIC

My Commission Expires: May 04, 2013

[SEAL]



STATE OF SOUTH CAROLINA)
)
COUNTY OF RICHLAND) **CERTIFICATE OF SERVICE**

The undersigned, Nyla M. Laney, hereby certifies that she is employed by the Legal Department for BellSouth Telecommunications, LLC d/b/a AT&T South Carolina (“AT&T”) and that she has caused AT&T South Carolina’s Verified Direct Testimony of Kenneth E. Minzenberger in Docket No. 2011-406-C to be served upon the following on August 23, 2012:

Nanette S. Edwards
Counsel
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Nyla M. Laney